COUNTDOWN
TO BIG BROTHER

IS THE NEW MEDICARE CARD PART OF A SECRET IDENTITY SYSTEM?

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"One of the greatest dangers of all is that you have lost all sense of danger, you cannot even see where it's coming from as it moves swift - ly towards you. You imagine you see danger in other parts of th globe and hurl the arrows from your depleted quiver there. But the greatest danger of all is that you have lost the will to defend yourselves."

Alexander Solzhenitsyn - "The West's betrayal of civilisation" BBC address, March 1st 1976.

HISTORY - THE AUSTRALIA CARD

In September, 1985, the Hawke Labor Government announced plans to introduce what it called "The Australia Card". The legislation, was tabled for the first time on 22nd October 1986.

The Australia Card was to be a plastic identity card. Everyone was to become a card carrying citizen. The card's features included:

* Magnetic stripe swipe card, like those used for Automatic Teller Machines (ATMs). The legislation also contained provisions for the card to become "smart" - ie: to eventually incorporate a computer ship inside the plastic, which would hold information pertaining to the "card subject".

* All card holders were to have their photograph on the card - the "photograph" was actually a video scan or digitalised photograph, one that can be kept on computer records.

* The data base for the Australia Card, run ostensibly by the Health Insurance Commission (HIC), was to be interlinked with the departments of Social Security (DSS), Taxation, Immigration, Health (Medicare) and various other departments.

*The card was to be produced as a means of identification for various government business and as proof of identity when opening bank accounts and dealing with non-bank financial institutions (credit unions, building societies etc).

* Once issued, the card (and number) were to be used by "the card subject" for life, with renewal of cards determined by the Australia Card Authority.

* The Australia Card number was described as a "unique identifier".

* Failure to produce the card in certain cases would result in economic disadvantages.

* The Australia Card proposal was initiated by the HIC, which was to be the manager of the National Identity Numbering System (NINS).

* The Australia Card was to replace the Medicare cards, which were originally introduced to crack down on medifraud, but had mostly expired by 1986.

* The card was to be used in connection with dealings involving central marketing boards; obtaining employment; cash transactions above a certain unspecified amount; dealings in gold, silver or precious stones; transfer or acquisition of shares, debentures or other securities; trust accounts and real estate transactions

* A specimen signature was to be recorded electronically on the card.

Despite the governments threat of holding an historic joint sitting of Parliament to force the Australia Card through, Susan Ryan, the then Minister responsible for the proposed card, announced on the 8th October 1987 that the ID card wouldn't be proceeding due to overwhelming public opinion.

EFTPOS AS A SURVEILLANCE SYSTEM

Regardless of these happenings, and the so-called "death" of the HIC proposal, plans to introduce an Identity Card, albeit disguised

as an Australia Card, or some other sort of numbering system were well underway. The government's "initiatives" in the area of monitoring and surveillance had been made clear in federal parliament on 12th June 1986, with the tabling of Parliamentary Paper No. 173.

Parliamentary Paper No. 173, "Towards A Cashless Society, A Report to the Prime Minister" was prepared by the Technological Change Committee of ASTEC, (Australian Science & Technology Council), which comes under the auspices of the Department of the Prime Minister and Cabinet.

The report deals with EFTPOS - Electronic Funds Transfer at the Point Of Sale. EFTPOS, as we know it today, is a fast payment system used in conjunction with Automatic Teller Cards.

To make an EFT transaction, the magnetic stripe on a person's Teller card is swiped through a card reader, a PIN - Personal Identification Number is entered in the PIN pad, the customer's bank account is automatically debited for the amount of the purchase.

> **"Compulsory use of EFTPOS could, in fact, substitute for many of the proposed uses of an Australia Card."**

The EFTPOS network is now so extensive that it can be used anywhere - shopping, to buy groceries, clothes, hardware, petrol, to pay bills including electricity, phone, gas, rates, to post letters - (Australia Post's Counter Service), and even to make phone calls (Telecom Card Phone).

As well as being a payment system, EFTPOS is also a surveillance system.

The report states ...

"Governments could profit from the type of information generated through EFTPOS and related systems. EFTs could also save the Government Departments, much routine information processing, especially in those dealing with welfare payments. As a large proportion of benefits are now paid directly into bank accounts, the links are there for banks, for example, to contract to transfer other information such as change of address or status once, instead of both banks and government departments duplicating these administrative details."

"The ability of EFTPOS to provide information could also be used. If it were used universally, EFTPOS could provide unobtrusive means for the surveillance of all actions involving purchases. This could be achieved through using computers to amass individual profiles of consumer spending, including times, place, items bought and so on. In this way income could also be matched with expenditure."

"Compulsory use of EFTPOS could, in fact, substitute for many of the proposed uses of an Australia Card."

The idea of being able to keep citizens under electronic surveillance by using the Electronic Funds Transfer System was documented in 1971 by the Centre for Strategic and International Studies (CSIS) at Georgetown University (USA). When the centre

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assigned a group of informatics specialists to develop a system of surveillance for all citizens in a manner neither obvious nor intrusive; their recommendation was a national EFTPOS system.

"Towards A Cashless Society" reproduces this excerpt from the CSIS report: (see page 16)

This surveillance sheet clearly illustrates the type of monitoring that could occur through the use of Electronic Funds Transfer systems. Not only is this an infringement of privacy but the possibilities for keeping track of politically active people are particularly alarming.

The September 1987 report by the Commission For The Future - "Issues For A Cashless Society", provides an 'Australianised' version of the same daily surveillance sheet.

By February, 1988, major Australian newspapers were reporting the onslaught of the cashless society. EFTPOS was expanding its electronic tentacles across Australia. In March 1988, every bank, building society and credit union were linked together on the one system.

The evolution of the electronic banking system has been an ongoing process. Australian Banks are linked electronically to each other in financial communications and networks. They are also part of a global network for Electronics Funds Transfer.

Electronic banking in Australia had its origins in the late 1960s when the Commonwealth Bank Computer Centre started to use Magnetic Ink Character Recognition to enable the information on the bottom line of cheques and vouchers to be read by computer.

In the early 1970s the Central Magnetic Tape Exchange was set up to process large volume electronic transactions. In 1973, SWIFT - the Society for World Wide Interbank Financial Telecommunications was established, providing Australian banks with international links.
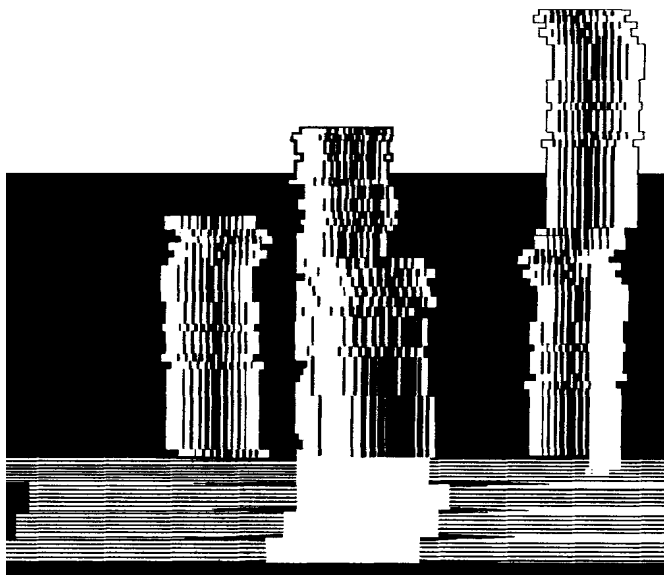
DAILY SURVEILLANCE SHEET

CONFIDENTIAL

JULY 13, 1984

SUBJECT:

John Q Public, 4 Home Street, Anywhere, USA, Male, Age 40, Married. Electrical Engineer.

PURCHASES:

Wall Street Journal, $1.00; Breakfast, $2.25; Gasoline, $6.00; Phone (111 1234), $0.25; Phone (222 5678), $0.25; Lunch, $4.00: Cocktail, $1.50; Bank (cash withdrawal), $200.00; Lingerie, $135.67; Phone (111 8769), $0.85; Phone (869 1111), $0.80; Bourbon, $12.53; Boston Globe, $0.50;

COMPUTER ANALYSIS:

Owns stock (90% probability)

Heavy starch breakfast - probably overweight

Bought $6.00 gasoline. Owns VW. So far this week subject has bought $25.00 worth of gasoline. Obviously doing something besides driving 9 miles to work.

Bought gasoline at 7.57am at gas station 6 miles from work.

Subject probably late for work. Third such occurrence this week.

Phone No 111 1234 belongs to Joe Book. Book was arrested for illegal bookmaking in 1970, 1978, and 1982. No convictions.

Phone No 222 5678 belongs to expensive men's barber shop specialising in hair restoration.

Drinks during lunch.

Withdrew $200.00 cash. Very unusual since all legal purchases can be made using Uniform Federal Funds Transfer Card. Cash usually used for illegal purchases.

Bought very expensive lingerie. Not his wife's size.

Phone No 111 8769 belongs to Jane Doe.

Phone No 869 1111. Reservations for Las Vegas (without wife). No job related firms in Las Vegas. Will scan file to see if anyone has gone to Las Vegas at the same time and compare the subject's phone numbers.

Purchased Bourbon. Third bottle this month. Either heavy drinker or much entertaining.

OVERALL ANALYSIS:

Subject left work at 4.00pm since he purchased bourbon 1 mile from his job at 4.10pm (opposite direction from his house).   Subject bought newspaper at 6.30 near his house.   Unaccountable 2.5 hours

Subject made 3 purchases today from young blondes. (Statistical chance 1 in 78). Probably has weakness for young blondes. (Jane Doe is a young blonde).

During the same decade, Bankcard made its debut on the Australian scene, several years later the first Automatic Teller Machines (ATM's) came on line.

By 1983, almost all bank branches in Australia had on line access to a computer centre. At this stage set up its packet-switching network - Austpac, to deal with EFTPOS transactions.

According to "Towards A Cashless Society", "Australia is unique in world terms as many of its point of sales networks have been designed eventually to be part of a national, not merely a local system. Computers owned by the financial institutions are connected to terminals at the point of sale in retail outlets and effectively convert shop counters to electronic bank branches."

"Messages between Point Of Sale terminals and bank computers are carried by leased lines through a multiplexer, a device which uses and controls several communications channels simultaneously, both sending and receiving messages. In one mode of operation, the multiplexer is sited in Telecom's Exchange."

"Each multiplexer is designed to handle up to 16 Point of Sale terminals which are connected to Telecom's AUSTPAC packet switching network."

THE "UPGRADED" TAX FILE NUMBER

While Australia was celebrating two hundred years of white settlement in 198l, the Hawke government quietly proceeded with its "alternative" to the Australia Card; the upgraded Tax File Number system and the Cash Transactions Reports Act.

An upgraded Tax File Number was first mooted by the Joint Select Committee on the Australia Card, formed in November 1985. In fact, a majority of the committee, in their report tabled in Parliament on 8th April 1986 recommended "The use of a Tax File Number with enhanced integrity", as a viable alternative to the Australia Card proposal.

The Committee's report under a section headed "alternatives" (to the Australia Card) stated....

"The use of the Tax File Number will be extended to cover all the financial transactions proposed in the government sub - mission for the Australia Card number by the Australian Taxation Office, as well as for social security."

After continual adverse publicity surrounding the Australia Card, in May 1988, the Federal Government began a multi-million dollar public relations and advertising campaign to sell the new Tax File Number system to the public.

The campaign was more expensive that nay other PR campaigns run by the Hawke government, including the Drug Offensive, and the Aids campaigns.

A total of $6.5 million was spent, convincing Australians that the Tax File Number (TFN) system had to be upgraded. The contract for PR was awarded to American owned Burson Marsteller, the world's largest advertising agency.

From 1 July 1991, the TFN will be used to help match income reports from banks, building societies, credit unions, companies, cash management and property trusts and other financial institutions with details in taxpayers returns. People will be required to quote their TFN where the account will be in existence from 1 July 1991. The requirement to quote TFN applies to all new accounts opened after 1 July 1991.

The legislation makes provision for the use of the old TFN to be extended and for new Tax File Numbers to be issued. According to the Treasurer's May 1988 Economic Statement, this new

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scheme would "cleanse" the existing system by identifying false name registrations, for instance where a person has one or more TFNs.

During evidence give to the Senate Standing Committee on Legal and Constitutional Affairs investigating "The Feasibility of a National ID Scheme: The Tax File Number", the committee heard that the Upgraded Tax File Number System has

"Uniqueness, permanence, universality, indispensability and arbitrariness as indicators of a national identification scheme, which, according to the US department of Health, Education & Welfare defines as a standard universal identifier".

CASH TRANSACTIONS REPORT ACT

On the 15th June, 1988, the Cash Transactions Reports Act became operational. This Act requires cash transactions above $10,000.00 to be reported by banks to the Cash Transactions Reports Agency for "investigation".

Cash "dealers" are described among others, as financial institutions; financial corporations; an insurer; securities dealers; future brokers; a trustee or manager of a cash management; property or unit trust and bullion dealers.

Clause 87 of the original Australia Card proposal related to the establishment of the Data Protection Agency (DPA). The main functions of the DPA were to review decisions made by the Australia Card Authority, investigate complaints of the Authority infringing upon a person's privacy, and to publish details of databases containing personal information held by Commonwealth bodies.

The Senate Standing Committee investigating the Feasability of a National ID Scheme: the Tax File Number, also reviewed the Privacy Act, which was passed on the 14th December 1988...

In its report, the Committee stated that its investigations were circumvented by the Government. Confidential copies of the Privacy Bill were supplied to the Shadow Attorney General so that discussions could take place behind closed doors, rather than letting the bill "lie on the table" in parliament. Neither the public nor the Senate Standing Committee were allowed access to the amendments. The committee was not only denied access to the Privacy Bill 1988, as well, the Attorney General's Department failed to appear at the Committee's public hearings to answer questions.

The 1988 Privacy Act defines certain records which are subject to the Act. The legislation defines a record as "(a) a document, (b) a database, however kept, and (c) a photograph or other pictorial representation of a person.

THE 'NEW' MEDICARE CARD

On 14th July 1989, the Health Insurance Commission Regulations (Amendment) Act was passed by the government, allowing the implementation of computer-linked cards to prove the entitlement of pensioners and concessional card holders to Pharmaceutical Benefits Scheme items.

The Act enables the HIC to do anything required to manage and improve Pharmaceutical Benefits. This includes powers to "devise and implement" measures to prevent and detect fraud and over-payments.

Just a few months later, in October 1989, the HIC released its Strategy Proposal for the Management of Pharmaceutical Benefits Scheme. A proposal which would put pharmacies throughout Australia on-line to the HIC's national database running off the Commission's two IBM3090 Mainframes. IBM compatible terminals were to be installed in all pharmacies at government expense and linked by dedicated telecom lines back to the HIC database. Tenders were called in November 1989 for the provision of on-line EFTPOS style magnetic swipe terminals to be installed in Australia's 5600 pharmacies. The document also states that the HIC intends to create "a culture in which people carry an identifying card".

In the lead up to the 1990 federal election, the government shelved its Pharmaceutical Benefits Scheme plans, but now with the election over, the scheme is speeding ahead.

The government has set aside $10 million to re-issue magnetic stripe Medicare Cards (which work on the same principle as Automatic Teller Cards). The re-issuing will be completed within two years.

The HIC has played a fundamental role in the development of both the Australia Card proposal and its replacement system.

The Commission was established by legislation passed during an historic Joint Sitting of both Houses of Parliament in August 1974.

Medicare is the brain-child of the HIC; and Medicare is the brother of the old Medibank system. Medibank was set up on 1 July 1975. A few years later in November 1978, Medibank was abolished, and the HIC's role was confined to administering Medibank Private.

In late 1979, the HIC installed what was then the world's largest on-line medical claims processing system, it had become a private health insurer with the largest membership in Australia.

According to the HIC's 1983-84 Annual Report,.... "Medicare was dependent upon providing each person with some identification which would enable proper and easy access to the benefits of Medicare, whether through direct billing or to obtain a cash benefit from a Medicare Office. Not to provide such a data base would bring into conflict the objectives of service and accuracy".

"The Commission decided that the form of patient identifi - cation resulting from enrollment should be a plastic card as this would have particular application to assist direct billing and be a more permanent form of identification. Unlike the original Medibank scheme the Medicare number is not a unique patient identification number. Identification is achieved by a combination of the Medicare number and the personal details appearing on the card."

The same was said of the Australia Card. It was to be more secure because it included a unique identifying number as well as signature, photograph, birth date, name and address.

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As mid 1991 draws near, almost every single crucial aspect of the old Australia Card plan in in place - except the photographs.

VIDEO SCANS

Given that the original Australia Card was to include a digitalised photograph of the "card subject" and that the Privacy Act defines a record as a photograph or other pictorial representation, the desire and provisions for the incorporation of a photograph into some sort of government identity system exists.

Photographs are already used on driver's licenses, and with discussion about the formation of a national transport and road authority, its possible that driver's licenses will be nationalised, creating a database of "photographs".

RETINA SCANS

There are also other "identity" systems in the pipeline involving video scanning. The remarkable feature of a video scan as opposed to an ordinary photograph is that it can be stored in a computer and it records your eyeball retina patterns as well.

Retina patterns are the pattern of blood vessels behind your eyes, unique to every individual. Eyeball Retina Scans are becoming increasingly popular as a means of upgraded identification. To scan your retina patterns, you look into a little slot on a retina scanner. A low intensity infra red light enters the pupil and reflects off the retina, giving a reading at 320 points along a 45 degree arc.

Retina scanners are smaller than a public phone. The inventions used to scan retina patterns and finger prints are known as biometric devices. These devices also include technology which recognise voiceprint, signature verification and palm prints (called palm geometry).

Each of us possesses a biometric, a measurable physical characteristic or personal trait that can be used to recognise or verify the identity of a person through automated means.

As the extent of the EFTPOS phenomenon unfolds, the use of the Tax File Number is expanded, Medicare issues its new magnetic stripe cards, and the powers of the all encompassing, all pervasive state are expanded, the full impact of almost a decade of developments in surveillance technology surround us.

For most people these technological developments are seen as beneficial, even convenient. Twenty four hour a day, seven day a week banking through the "hole in the wall teller", the advantages of carrying less cash and a plastic card instead. It's all so easy and so practical!

The state did not take our privacy, our rights and our freedoms, we gave them away.